

**CITY OF RHINELANDER COMMON COUNCIL**  
**MONDAY, NOVEMBER 29, 2010 - 5:30-5:50 P.M.**

City Hall Council Chambers  
135 S. Stevens St., Rhineland, WI

CALL TO ORDER

The special meeting of the Common Council of the City of Rhineland was called to order by Mayor Johns at 5:30 p.m. Proper notification was given to the press and the public.

ROLL CALL

The following Alderpersons were present: Belliveau, Freudenberg, Gleason, Kelly, Pelletier, Salzer and Young. Ald. Sonny Paszak was absent.

Others present: Golf Course Superintendent Joe Andersen, City Administrator Bill Bell, Mayor Dick Johns, Ken Krall of WXPR, Finance Director Julie Ostrander; Parks, Buildings & Grounds Director Gunder Paulsen, Clerk/Treasurer Mary Richardson, Kyle Rogers of the Northwoods River News, Police Chief Mike Steffes and Fire Chief Terry Williams.

BUDGET HEARING – APPROVAL OF 2011 CITY OF RHINELANDER OPERATING BUDGET

(A) MOTION BY ALD. YOUNG, SECOND BY ALD. PELLETIER, TO APPROVE THE 2011 CITY OF RHINELANDER OPERATING BUDGET IN THE AMOUNT OF \$5,945,179. 7 AYE, 0 NAY, 1 ABSENT (PASZAK); MOTION CARRIED.

MISCELLANEOUS BUSINESS AND FUTURE AGENDA REQUESTS – None.

ADJOURNMENT

MOTION BY ALD. FREUDENBERG, SECOND BY ALD. YOUNG, TO ADJOURN THE NOVEMBER 29, 2010 COMMON COUNCIL MEETING AT 5:50 PM. 7 AYE, 0 NAY, 1 ABSENT (PASZAK); MOTION CARRIED.

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Approved by

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Received by

(A) BUDGET HEARING – APPROVAL OF 2011 CITY OF RHINELANDER OPERATING BUDGET

Mayor Johns presented the following statement:

Dear Rhinelander Taxpayers,

Over the past five months the City of Rhinelander has been working on the 2011 Budget and this year's cycle has been challenging due to the increases in fixed expenses. The Finance, Wage & Salary Committee, Mayor, City Administrator, and the City of Rhinelander Department Heads have exerted much time and effort in constructing a budget that supports the best interest of the taxpayer.

The consolidation of our pre-2005 debt was the primary determining factor of the 2011 budget as it adjusted the Municipal Levy limit as specified by the State of Wisconsin. The State has allowed the City to tax our residents to a levy maximum of \$5,945,179 for 2011. The Finance, Wage & Salary Committee opted to increase taxes 4.848% instead of using our entire available increase of 15.439%.

The Department Heads reviewed their budgets line item by line item and only the essential needs were requested. Salaries and wages for represented employees increased due to contractual obligations from approximately .50% to 3% COLA. Department Heads themselves will receive no salary increases in 2011.

The City of Rhinelander will incur a substantial health insurance premiums increase for the 2011 budget year of 11.8% or approximately \$113,619.

The City was able to maintain full time staffing levels by consolidating the Animal Shelter and Parks Director positions due to the retirement of the Animal Shelter Director and by reassigning Office Assistant duties shared by City Hall and the Shelter.

This was a difficult budget year for the City, but with some creativity and flexibility we were able to present a balanced budget for 2011.

The impact of this budget on the Rhinelander property taxpayer is a mil rate increase of 4.66%, or \$0.42 per \$1000/valuation. The increase on a \$100,000 home amounts to \$42.00.

If you have any questions, please feel free to contact the City Administrator or Finance Director at 715-365-8600.

Ald. Freudenberg noted that we started out with a \$200,000 deficit, and asked how we got it down to \$80,000.

Bill Bell noted that it was originally a \$400,000 deficit. We first went through the departmental budgets with the Department Heads to make cuts, which brought the deficit down to around \$200,000. At that point, we started talking about consolidations, and ultimately approved the Parks/Animal Shelter consolidation, and revised the Office Assistant position to be half-time at City Hall and half-time at the Animal Shelter. Bill stated that each step of the way, more creative ideas came up to weed out extra expenses.

Ald. Freudenberg noted that if the original consolidation proposal had gone through, the \$80,000 would have been at zero. Bill Bell agreed that we don't have as much savings, but we did save.

Julie Ostrander noted that there were other changes made from the \$200,000 to the \$80,000; one item was no raises for the Department Heads, which saved around \$25,000. Mike Steffes noted that we also originally projected 3% for the union settlements, but that actually came in lower. Julie stated that the loan consolidations helped a lot. Bill agreed,

noting that we ended up with less interest expense than we originally expected. Mark Pelletier noted that we also went back in the other direction when the health insurance rates came in higher than we projected. We had an increase in shared revenue of around \$25,000 and at the same time, an increase in insurance above and beyond which pretty much ate that up. Julie noted that because we start the budget process early, we don't have all of the numbers we will ultimately need, such as state aids for the next year; you get ups and downs as different information comes in throughout the process.

Mark Pelletier stated that over the years, some of the budget cuts involved laying people off, not just by retirement; we have less firefighters, police and public works employees than we had years ago. This time, there was a lot of creativity, and we did a lot of work before we knew our valuation and before we knew where other things were going to come in. This year, we had to cut services only indirectly, maybe by not replacing a piece of equipment, but we have as many people employed, which helps.

Sherrie Belliveau noted that we also agreed we would no longer take anything from the General Fund; this is the first year we have done the budget without tapping the General Fund for tax relief. Mark agreed, noting that in previous years, we have taken up to \$100,000 out of the General Fund to reduce the tax rate increase.

Alex Young stated that it's been a tough year, but then again, every year since 2004 when he first got on the Council has been tough, and this year has been even tougher. He noted that a lot of people have made sacrifices, and we recognize that. The end result is not ideal, but then again, nothing ever is ideal.

Bill Freudenberg asked about the levy limits. Bill Bell stated that we actually could have increased our budget by 15.439%, but we held it to an increase of 4.848%. Bill Freudenberg asked if we were hurting ourselves in future years by not taking more of what was allowed. Bill Bell noted that the old law was "use it or lose it" but that has changed; we will still have the full amount available without jeopardizing the amount of shared revenues we receive.